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PRESS RELEASE

MAN PLEADS GUILTY TO HEALTH CARE FRAUD CHARGES

TAMPA - Today, federal authorities announced that Fred D. Ford, Jr., pleaded guilty to felony offenses in two separate cases relating to massive Medicare and Medicaid fraud schemes. The pleas were the latest in a lengthy multi-agency investigation dubbed "Operation Hardgear" concerning fraudulent billings by durable medical equipment ("DME") companies in the Middle District of Florida and elsewhere. Previously, the investigation netted guilty pleas from Barry Douglas Haught of Tampa, Phillip Lipsey of Orlando, James Taylor of Georgia, Dennis E. Rodriguez of Odessa, John C. Merlino of Tampa, and John S. Bidelspach, D.P.M., of Palm Harbor, along with DME companies DBB, Inc., G.S. Care Corp., Gold Star Healthcare, Inc., Med-Care Distributors, Inc., T-Tech Medical Services, Inc., Trans-Capital Investment Group, Inc., Nursery Road Villa, Duramed, Inc., Medmaster Services, Inc., and Gold Star Medical Services, Inc, and Fulcrum Services, Inc., a company that was created to facilitate other aspects of one of the fraudulent schemes.

In January 2002, Ford was charged by a federal grand jury sitting in Tampa in Case No. 8:02-cr-19-T-27EAJ in multiple counts of a 55-count indictment relating to a massive scheme to defraud the Medicare and Medicaid programs. The indictment

alleged that Ford and others conspired and schemed to submit false, fictitious and fraudulent claims to the Medicare and Medicaid programs in connection with the sale of DME such as motorized wheelchairs, alternating pressure mattresses, and related items. The charges against Ford related to his role in the conspiracy as a salesman for a group of companies commonly known as “Gold Star,” which were run by Barry Douglas Haught and others.

Today, Ford pleaded guilty to Counts One and Thirty of the indictment. Count One of the indictment charged Ford, from in or about January 1995 through September 10, 1998, with conspiracy to commit Medicare and Medicaid fraud, in violation of 18 U.S.C. § 371. Count Thirty charged Ford and others with submitting false claims to Medicare and Medicaid, in violation of 18 U.S.C. § 287. Counts One and Thirty each carry a maximum sentence of five years’ imprisonment, a fine of \$250,000, and a term of supervised release of three years.

Ford also pleaded guilty to Counts One and Two of an Information in a separate case concerning a health care fraud scheme involving Priority Oxygen and Medical Equipment, Inc., a company located in St. Petersburg, Florida, that was run by an individual named Dennis McEleny. Ford's role in the scheme was once again that of a salesman of DME. Count One of the Information charged Ford, from in or about March 1998 and continuing until in or about October 1998, with conspiracy to commit Medicare and Medicaid fraud, in violation of 18 U.S.C. § 371. Count Two charged Ford with submitting false claims to Medicare and Medicaid, in violation of 18 U.S.C. §§ 287 and 2. Counts One and Two each carry a maximum sentence of five years’ imprisonment,

a fine of \$250,000, and a term of supervised release of three years. Ford's guilty pleas resolve both criminal cases concerning this defendant.

The investigation leading to these pleas was conducted jointly by the Federal Bureau of Investigation, the Office of the Inspector General of the United States Department of Health and Human Services, the Medicaid Fraud Control Unit of the Florida Attorney General's Office, and the Internal Revenue Service. The investigation is continuing. The cases are being prosecuted by Assistant United States Attorneys Terry A. Zitek, Rachelle DesVaux Bedke, and Jay G. Trezevant.

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